

**GROUP 1 WORKSHEET****Contracting Tax Factoring Worksheet – NO CITY LAND DEDUCTION**

Assumption: No tax amount is specified in the contract.

**TAX RATES AND FACTOR**

State & County Tax Rate.....	6.30%	* Refer to the TRANSACTION PRIVILEGE AND OTHER TAX RATE TABLES, Table 1. Place in Column G of the TPT-1.
City Tax Rate.....	1.6%	* Refer to the Transaction Privilege and Other Tax Rate Tables.
Combined RATE.....	7.90%	* Add the City Rate to the State & County Rate.
Combined FACTOR.....	.04884197	* Find the factor for the COMBINED RATE ABOVE on the TAX FACTORS FOR CONTRACTORS table.

ITEM	SOURCE	AMOUNT	DESTINATION
1. Gross Amount of Contract or Progress Payment	Contract/Invoice/Cash Receipts	\$100,000.00	Front of TPT-1, Column D
2. Land at Fair Market Value	Appraisal or Other Documentation	\$20,000.00	Back of TPT-1, Schedule A, Deduction Code 518

**CALCULATIONS ON LAND DEDUCTION DIFFERENCE**

3. City Tax on Land	Line 2 times City Tax Rate times 65%	\$208.00	Back of TPT-1, Schedule A, Deduction Code 551
4. Prime Contractor Reduction on Land	Line 2 times 35%	\$7,000.00	

**CALCULATIONS ON COMMON AMOUNTS**

5. Common Base	Line 1 minus Line 2 minus Line 3	\$79,792.00	
6. Factored Tax on Common Base	Combined Factor times Line 5	\$3,897.20	Back of TPT-1, Schedule A, Deduction Code 551
7. Basis for Prime Contractor Reduction	Line 5 minus Line 6	\$75,894.80	
8. Prime Contractor Reduction on Common Base	Line 7 times 35%	\$26,563.18	Back of TPT-1, Schedule A, Deduction Code 502

**FOR THE STATE RETURN - COUNTY LINE**

9. Total Class 15 Deductions	Add Lines 2, 3, 6, and 8	\$50,668.38	Front of TPT-1, Column E
10. Taxable Class 15 Amount	Line 1 minus Line 9	\$49,331.62	Front of TPT-1, Column F
11. Class 15 Tax	State & County Tax Rate times Line 10	\$3,107.89	Front of TPT-1, Column H

**FOR THE STATE RETURN – CITY LINE OR FOR THE CITY RETURN**

12. Total City Deductions	Add Lines 3, 4, 6, and 8	\$37,668.38	Front of TPT-1, City line, Column E or City Return
13. Taxable City Amount	Line 1 minus Line 12	\$62,331.62	Front of TPT-1, City line, Column F or City Return
14. City Tax	City Tax Rate times Line 13	\$997.31	Front of TPT-1, City line, Column H or City return

For Assistance call (602) 255-2060 or Toll Free (Arizona Only, outside of Maricopa Only) 1-800-843-7196  
**KEEP THIS WORKSHEET WITH YOUR RECORDS. PLEASE DO NOT SEND IT WITH YOUR RETURN.**